

ASSEMBLY BILL

No. 2691

Introduced by Committee on Elections and Redistricting

March 14, 2012

An act to amend Section 84602 of, and to repeal Sections 84604, 84609, and 84610 of, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 2691, as introduced, Committee on Elections and Redistricting. Political Reform Act of 1974: online and electronic filing.

The Political Reform Act of 1974 requires the Secretary of State, in consultation with the Fair Political Practices Commission, to develop an online and electronic filing system to be used by certain entities, including specified candidates, general purpose committees, slate mailer organizations, and lobbyists, lobbying firms, and lobbyist employers, in filing statements and reports required under the act. The act imposes certain online or electronic disclosure requirements that are specific to the 1998 statewide general election and the 2000 statewide primary election. The act also appropriates to the Secretary of State the sum of \$1,100,000 for the purpose of developing online or electronic disclosure systems, effective September 16, 1999. Under existing law, an appropriation is available to be encumbered for 3 years after the date upon which it first became available for encumbrance.

This bill would repeal the provisions relating to online or electronic disclosure requirements specific to the 1998 statewide general election and the 2000 statewide primary election. The bill would also repeal the provision making a \$1,100,000 appropriation to the Secretary of State, which has been available for encumbrance for more than 3 years.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.

State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 84602 of the Government Code is amended to read:

84602. To implement the Legislature's intent, the Secretary of State, in consultation with the ~~commission~~ *Commission*, notwithstanding any other provision of the ~~Government Code~~ *this code*, shall do all of the following:

(a) Develop online and electronic filing processes for use by persons and entities specified in ~~Sections 84604 and Section 84605~~ that are required to file statements and reports with the Secretary of State's office pursuant to Chapter 4 (commencing with Section 84100) and Chapter 6 (commencing with Section 86100). Those processes shall each enable a user to comply with all the disclosure requirements of this title and shall include, at a minimum, the following:

(1) A means or method whereby filers subject to this chapter may submit required filings free of charge. Any means or method developed pursuant to this provision shall not provide any additional or enhanced functions or services that exceed the minimum requirements necessary to fulfill the disclosure provisions of this title. At least one means or method shall be made available no later than December 31, 2002.

(2) The definition of a nonproprietary standardized record format or formats using industry standards for the transmission of the data that is required of those persons and entities specified ~~in subdivision (a) of Section 84604 and Section 84605~~ and that conforms with the disclosure requirements of this title. The Secretary of State shall hold public hearings prior to development of the record format or formats as a means to ensure that affected entities have an opportunity to provide input into the development process. The format or formats shall be made public no later than

1 July 1, 1999, to ensure sufficient time to comply with—the
2 requirements of this chapter.

3 (b) Accept test files from software vendors and others wishing
4 to file reports electronically, for the purpose of determining whether
5 the file format is in compliance with the standardized record format
6 developed pursuant to subdivision (a) and is compatible with the
7 Secretary of State's system for receiving the data. A list of the
8 software and service providers who have submitted acceptable test
9 files shall be published by the Secretary of State and made available
10 to the public. Acceptably formatted files shall be submitted by a
11 filer in order to meet the requirements of this chapter.

12 (c) Develop a system that provides for the online or electronic
13 transfer of the data specified in this section utilizing
14 telecommunications technology that assures the integrity of the
15 data transmitted and that creates safeguards against efforts to
16 tamper with or subvert the data.

17 (d) Make all the data filed available on the Internet in an easily
18 understood format that provides the greatest public access. The
19 data shall be made available free of charge and as soon as possible
20 after receipt. All late contribution and late independent expenditure
21 reports, as defined by Sections 84203 and 84204, respectively,
22 shall be made available on the Internet within 24 hours of receipt.
23 The data made available on the Internet shall not contain the street
24 name and building number of the persons or entity representatives
25 listed on the electronically filed forms or any bank account number
26 required to be disclosed pursuant to this title.

27 (e) Develop a procedure for filers to comply with the
28 requirement that they sign under penalty of perjury pursuant to
29 Section 81004.

30 (f) Maintain all filed data online for 10 years after the date it is
31 filed, and then archive the information in a secure format.

32 (g) Provide assistance to those seeking public access to the
33 information.

34 (h) Implement sufficient technology to seek to prevent
35 unauthorized alteration or manipulation of the data.

36 (i) Provide the—~~commission~~ *Commission* with necessary
37 information to enable it to assist agencies, public officials, and
38 others; with the compliance with and administration of this title.

39 (j) Report to the Legislature on the implementation and
40 development of the online and electronic filing and disclosure

1 requirements of this chapter. The report shall include an
2 examination of system security, private security issues, software
3 availability, compliance costs to filers, use of the filing system and
4 software provided by the Secretary of State, and other issues
5 relating to this chapter, and shall recommend appropriate changes
6 if necessary. In preparing the report, the ~~commission~~ *Commission*
7 may present to the Secretary of State and the Legislature its
8 comments regarding this chapter as it relates to the duties of the
9 ~~commission~~ *Commission* and suggest appropriate changes if
10 necessary. There shall be one report due before the system is
11 operational as set forth in Section 84603, one report due no later
12 than June 1, 2002, and one report due no later than January 31,
13 2003.

14 (k) Review the current filing and disclosure requirements of
15 this chapter and report to the Legislature, no later than June 1,
16 2005, recommendations on revising these requirements so as to
17 promote greater reliance on electronic and online submissions.

18 SEC. 2. Section 84604 of the Government Code is repealed.

19 ~~84604. (a) The Secretary of State shall implement an online~~
20 ~~or electronic disclosure program in connection with the 2000 state~~
21 ~~primary election and the lobbying activities specified in paragraph~~
22 ~~(4). Entities specified in paragraphs (1), (2), and (3) shall~~
23 ~~commence online or electronic disclosure with the first preelection~~
24 ~~statement filed in connection with the 2000 statewide direct~~
25 ~~primary election for the period ending January 22, 2000, and shall~~
26 ~~continue to disclose online or electronically all required reports~~
27 ~~and statements up to and including the semiannual statement for~~
28 ~~the period ending June 30, 2000. Entities specified in paragraph~~
29 ~~(4) shall commence online or electronic disclosure with the~~
30 ~~quarterly report for the period ending March 31, 2000, and shall~~
31 ~~continue to disclose online or electronically all required reports~~
32 ~~and statements up to and including the quarterly report for the~~
33 ~~period ending June 30, 2000. The entities subject to this section~~
34 ~~are the following:~~

35 ~~(1) Any candidate, including appellate court and Supreme Court~~
36 ~~candidates and officeholders, committee, or other persons who are~~
37 ~~required, pursuant to Chapter 4 (commencing with Section 84100),~~
38 ~~to file statements, reports, or other documents in connection with~~
39 ~~a state elective office or state measure appearing on the 2000~~
40 ~~statewide direct primary ballot, provided that the total cumulative~~

1 reportable amount of contributions received, expenditures made,
2 loans made, or loans received is one hundred thousand dollars
3 (\$100,000) or more. For the purpose of cumulating totals, the
4 period covered shall commence January 1, 1999.

5 (2) Any general purpose committees, as defined in Section
6 82027.5, including the general purpose committees of political
7 parties, and small contributor committees, as defined in Section
8 85203, that cumulatively receive contributions or make
9 expenditures totaling one hundred thousand dollars (\$100,000) or
10 more to support or oppose candidates for any elective state office
11 or state measure appearing on the 2000 statewide direct primary
12 ballot. For the purpose of cumulating totals, the period covered
13 shall commence January 1, 1999.

14 (3) Any slate mailer organization with cumulative reportable
15 payments received or made for the purposes of producing slate
16 mailers of one hundred thousand dollars (\$100,000) or more in
17 connection with the 2000 statewide direct primary election. For
18 the purpose of cumulating totals, the period covered shall
19 commence January 1, 1999.

20 (4) Any lobbyist, lobbying firm, lobbyist employer, or other
21 persons required, pursuant to Chapter 6 (commencing with Section
22 86100), to file statements, reports, or other documents, provided
23 that the total amount of any category of reportable payments,
24 expenses, contributions, gifts, or other items is one hundred
25 thousand dollars (\$100,000) or more in a calendar quarter.

26 (b) Filers specified in subdivision (a) shall also continue to file
27 required disclosure forms in paper format. The paper copy shall
28 continue to be the official version for audit and other legal
29 purposes. Committees and other persons that are not required to
30 file online or electronically by this section may do so voluntarily.

31 (c) The Secretary of State shall also disclose on the Internet any
32 late contribution or late independent expenditure report, as defined
33 by Sections 84203 and 84204, respectively, not covered by
34 subdivision (a).

35 (d) It shall be presumed that online or electronic filers file under
36 penalty of perjury.

37 SEC. 3. Section 84609 of the Government Code is repealed.

38 84609. All candidates and ballot measure committees who are
39 required, pursuant to Chapter 4 (commencing with Section 84100),
40 to file statements, reports, or other documents in connection with

~~a statewide elective office or state measure appearing on the November 1998 ballot shall provide at the time of filing, in addition to a paper submission, a copy of the required report on computer disk in either an ASCII or PDF format with documentation detailing the field layout or file structure. Filers who submit computer disks which are not readable, cannot be copied, or do not have documentation have not complied with the requirements of this section. Candidate and ballot measure committees who make their report available on the Internet through the Secretary of State's office are not required to file the report on computer disk. The Secretary of State shall make copies available to the public, upon payment of fees covering direct costs of duplication, or a statutory fee, if applicable. The Secretary of State shall also disclose online, any late contribution or late independent expenditure report, as defined by Sections 84203 and 84204 respectively, filed in connection with any elective state office or ballot measure appearing on the November 1998 ballot.~~

SEC. 4. Section 84610 of the Government Code is repealed.

~~84610. There is hereby appropriated from the General Fund of the state to the Secretary of State the sum of one million one hundred thousand dollars (\$1,100,000) for the purposes of developing the online and electronic disclosure systems provided by this chapter and reimbursing local agencies for any costs they incur in the development of these systems.~~

SEC. 5. The Legislature finds and declares that this bill furthers the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.